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AMEMBASSY MANILA
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NOT RELEASABLE TO FOREIGN NATIONALS

E.O. 11652: XGDS-1

TAGS: XX, MPOL

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SUBJECT: FOREIGN REACTIONS TO THE PRESIDENT'S POLICY ON
CONVENTIONAL ARMS TRANSFERS

1. FOLLOWING IS UPDATED TEXT OF INR REPORT NO. 812,
DATED JUNE 6, 1977.

2. BEGIN OVERVIEW. TO DATE, OFFICIAL FOREIGN REACTIONS TO
THE PRESIDENT'S ANNOUNCEMENT ON MAY 19 ENUNCIATING A "POLICY
OF RESTRAINT" ON THE EXPORT OF CONVENTIONAL ARMAMENTS (SEE
ANNEX) HAVE NOT BEEN PARTICULARLY STRONG, PERHAPS PARTLY
BECAUSE THERE WERE ENOUGH ADVANCE INDICATIONS OF A CHANGE
IN US POLICY. ONLY A SMALL NUMBER OF COUNTRIES--HAITI,
THE NETHERLANDS, NORWAY, AND PAPUA NEW GUINEA--APPLAUDED
THE STATEMENT WITHOUT VOICING RESERVATIONS. PREDICTABLY,
MOST OF THE OTHERS EXPRESSED VARYING DEGREES OF:

(A)--CONCERN AS TO THE POSSIBLE EFFECTS OF THE POLICY ON
THEIR ARMS RELATIONSHIPS WITH THE US (OR ON THE MILITARY
CAPABILITIES OF THEIR ADVERSARIES); OR

(B)--SKEPTICISM AS TO THE PROSPECT FOR COOPERATION WITH THE
US BY OTHER ARMS PRODUCERS.

3. AMONG THE ARMS PRODUCERS, BOTH WEST GERMANY AND THE UK

EXPRESSED THEIR WILLINGNESS TO MOVE INTO MULTILATERAL DISCUSSIONS BUT WERE CONCERNED WITH THE NATO MARKET. FRANCE, SEEING ARMS CONTROL AS A GLOBAL PROBLEM, SAID IT WOULD OPPOSE LIMITING DISCUSSION TO WITHIN NATO BUT ALSO RAISED THE ISSUE OF PROTECTING THE VIABILITY OF THE EUROPEAN ARMS INDUSTRY. REACTIONS FROM COMMUNIST COUNTRIES, PARTICULARLY, THE SOVIET UNION, HAVE BEEN MINIMAL.

4. AMONG THE ARMS RECIPIENTS, IRAN NOTED THAT, WHILE PREFERRED TO BUY ARMS FROM THE US, IT WAS PREPARED TO LOOK ELSEWHERE; THE PHILIPPINES FOCUSED ON THE IMPLICATIONS FOR ITS DEFENSE TREATY WITH THE US AND FOR US USE OF CONFIDENTIAL

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PHILIPPINE BASES; SOUTH KOREA SAW THE NEW ARMS POLICY, WHEN COUPLED WITH A US TROOP WITHDRAWAL, AS A "DOUBLE BLOW"; SYRIA AND EGYPT FELT THAT THE US APPEARED TO BE STRENGTHENING ISRAEL AT ARAB EXPENSE; AND INDONESIA SEEMED WORRIED ABOUT THE IMPLICATIONS OF THE REFERENCE TO HUMAN RIGHTS.

5. THE ONLY REACTION FROM A CHIEF OF STATE HAS BEEN FROM PRESIDENT MARCOS OF THE PHILIPPINES. PRESIDENT SADAT OF EGYPT ALSO WAS BRIEFED BY THE US AMBASSADOR BUT HAS MADE NO SUBSTANTIVE COMMENT ON THE ANNOUNCEMENT. OTHER REACTIONS HAVE BEEN LIMITED ALMOST ENTIRELY TO FOREIGN MINISTRY OFFICIALS DURING INITIAL DISCUSSIONS WITH US EMBASSY OFFICERS. THESE FOREIGN OFFICIALS RANGED FROM POLITICAL DIRECTORS AND SECRETARY GENERALS TO DEPUTY FOREIGN MINISTERS AND FOREIGN MINISTERS. ALL INDICATED THAT THEIR COMMENTS WERE PRELIMINARY AND PROMISED TO STUDY THE PRESIDENT'S STATEMENT FURTHER.

6. NEVERTHELESS, THE GENERAL THRUST OF THEIR COMMENTS IS PROBABLY FAIRLY REPRESENTATIVE OF THE ATTITUDES OF MOST ARMS SUPPLIER AND RECIPIENT COUNTRIES. NOR WILL FULLER COMMENT FROM THOSE THAT HAVE RESPONDED, OR FROM THOSE THAT HAVE NOT AS YET, PROBABLY DEPART SHARPLY FROM TWO BASIC THEMES: THE IMPACT OF THE NEW POLICY ON THEIR SPECIFIC ARMAMENT NEEDS, AND SKEPTICISM AS TO THE LIKELIHOOD THAT THE MAJOR SUPPLIERS CAN AGREE ON A MULTILATERAL APPROACH TO REDUCE CONVENTIONAL ARMS EXPORTS. END OVERVIEW.

7. ARMS SUPPLIER COUNTRIES

8. BULGARIA. A FOREIGN AFFAIRS MINISTRY OFFICIAL MADE NO COMMENT BEYOND AGREEING WITH THE REMARKS OF A US EMBASSY OFFICIAL THAT THE PRESIDENT'S DECISION WAS A CONSTRUCTIVE STEP TOWARD WORLD PEACE AND THAT A SERIOUS REDUCTION IN CONFIDENTIAL

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WORLDWIDE ARMS SALES WOULD REQUIRE COOPERATION BETWEEN NATIONS OF ALL POLITICAL PERSUASIONS.

9. CZECHOSLOVAKIA. A MINISTRY OF FOREIGN AFFAIRS OFFICIAL MERELY STATED THAT HIS GOVERNMENT WOULD CONSIDER WITH INTEREST THE PRESIDENT'S ARMS POLICY.

10. FRANCE. A QUAI OFFICIAL STATED THAT THE KEY SUPPLIERS WOULD HAVE TO ADDRESS THE ISSUE OF ARMS TRANSFERS. IF IT WERE REFERRED TO THE NORTH ATLANTIC COUNCIL FOR STUDY, FRANCE'S POSITION WOULD BE "RESERVED, IF NOT HOSTILE" SINCE THE ISSUE WAS A GLOBAL ONE AND BEYOND THE COMPETENCE OF THE COUNCIL. IN HIS VIEW, THE FUNDAMENTAL PROBLEMS CONFRONTING THE US-EUROPEAN RELATIONSHIP ARE CIVIL NUCLEAR EXPORTS AND ARMAMENTS BUT, IN THE LATTER CASE, IN THE CONTEXT OF A TWO-WAY STREET AND THE SURVIVABILITY OF A VIABLE EUROPEAN ARMS INDUSTRY. HE NOTED FURTHER THAT MULTILATERAL EFFORTS TO RESTRAIN ARMS TRANSFERS WOULD NOT SUCCEED WITHOUT SOVIET COOPERATION.

11. EAST GERMANY. DEPUTY FOREIGN MINISTER GRUNER TOLD THE US CHARGE THAT THE GERMAN DEMOCRATIC REPUBLIC WAS IN FAVOR OF USEFUL MEASURES TO REDUCE THE ARMS RACE BUT HOPED THAT THE NEW ARMS POLICY WOULD APPLY TO THOSE WHO VIOLATE UN RESOLUTIONS, ACT AS AGGRESSORS, OR SUPPRESS LIBERATION MOVEMENTS.

12. WEST GERMANY. AN ECONOMICS MINISTRY OFFICIAL STATED THAT WEST GERMANY'S ARMS SALES POLICY WAS HIGHLY RESTRICTIVE, WITH ARMS EXPORTS MOUNTING TO ONLY 47 PERCENT OF TOTAL GERMAN EXPORTS. HE NOTED, HOWEVER, THAT GERMAN POLICY ON ARMS SALES TO NATO COUNTRIES, AS WELL AS AUSTRALIA, SWEDEN, AND SWITZERLAND, IS RELATIVELY LIBERAL AND THAT IN ANY FUTURE DISCUSSIONS BONN WOULD WANT TO EXPLORE THE QUESTION OF US ARMS POLICY TOWARD SWITZERLAND, CONFIDENTIAL

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SWEDEN, IRELAND, AND SPAIN. THE GERMAN OFFICIAL ALSO WAS INTERESTED IN OBTAINING A MORE PRECISE DEFINITION OF THE TERM "WEAPONS AND WEAPON-RELATED ITEMS."

13. IN A SEPARATE CONVERSATION, A FOREIGN OFFICE OFFICIAL SUGGESTED THAT THE PROPOSED QUADRIPARTITE (US, UK, FRANCE, FRG) TALKS ON ARMS TRANSFERS BE HELD IN BONN ON JUNE 22-23.

14. HUNGARY. FOREIGN MINISTER PUJA TOLD THE US AMBASSADOR THAT HUNGARY, WHILE NOT A SALES AGENT FOR CONVENTIONAL ARMS, WELCOMED THE US INITIATIVE. HOWEVER, PUJA ASKED WHAT STEPS THE US INTENDED TO TAKE REGARDING

ARMS EXPORTS BY WEST EUROPEAN COUNTRIES AND TO CURTAIL US ARMS SALES THROUGH COMMERCIAL CHANNELS.

15. NETHERLANDS. FOREIGN AFFAIRS STATE SECRETARY KOOIJMANS (IN EFFECT THE DEPUTY FOREIGN MINISTER) TOLD THE US AMBASSADOR THAT THE NETHERLANDS WELCOMED THE PRESIDENT'S INITIATIVE, NOTING THAT THE DUTCH HAD PARTICIPATED IN A UN GENERAL ASSEMBLY RESOLUTION LAST YEAR AIMED AT SIMILAR OBJECTIVES. KOOIJMANS INQUIRED WHAT THE IMPACT WOULD BE IN CASES WHERE BILATERAL AGREEMENTS, AS OPPOSED TO MAJOR DEFENSE TREATIES, COMMITTED THE US TO FUTURE EQUIPMENT DELIVERIES, CITING IRAN AS AN EXAMPLE.

16. NORWAY. A MINISTRY OF FOREIGN AFFAIRS OFFICIAL STATED THAT HIS GOVERNMENT SHARED AN INTEREST IN THE GOALS OF THE NEW ARMS POLICY AND HAD BEEN MOST IMPRESSED WITH THE PRESIDENT'S FORCE AND SINCERITY IN ENUNCIATING THEM AT LONDON.

17. POLAND. A FOREIGN MINISTRY OFFICIAL STATED THAT HIS GOVERNMENT REGARDED THE TRANSFER OF ARMS AS PLAYING TOO IMPORTANT A ROLE IN THE CONDUCT OF FOREIGN RELATIONS AND DESIRED TO SEE A LIMITATION ON ARMS TRANSFER. WHILE NOTING THAT POLAND WELCOMES THE NEW US POLICY, HE FELT CONFIDENTIAL

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THAT THE TRANSFER OF ARMAMENTS WAS A VERY COMPLEX QUESTION INVOLVING BOTH RECIPIENTS AND SUPPLIERS AND THAT AN IMPORTANT WAY OF CONTROLLING THE EXPORT OF ARMS IS TO ATTACK THE ROOT OF THE PROBLEM--REGIONAL CONFLICTS.

18. SWITZERLAND. SECRETARY GENERAL WITNAUER OF THE FEDERAL POLITICAL DEPARTMENT ASKED WHAT IMPACT THE NEW POLICY WOULD HAVE ON SWISS ARMS PROCUREMENT IN THE US. WHILE HE EXPRESSED SYMPATHY FOR THE POLICY'S BASIC OBJECTIVES, HE ASKED HOW THE US EXPECTED TO INDUCE COOPERATION FROM OTHER ARMS SUPPLIERS AND KEEP THEM FROM SIMPLY STEPPING IN AND FILLING THE GAP.

19. UNITED KINGDOM. ASSISTANT UNDERSECRETARY FOR ARMS CONTROL AND DISARMAMENT MOBERLY STATED:

(A)--MULTILATERAL COOPERATION WAS ESSENTIAL TO THE SUCCESS OF THE POLICY, AND IT WAS IMPORTANT THAT THE SOVIETS ALSO ACCEPT RESTRAINT;

(B)--THE FOREIGN AND COMMONWEALTH OFFICE WOULD GIVE DEEP THOUGHT TO THE PROBLEM OF MOVING TO MULTILATERAL DISCUSSION;

(C)--HE WAS PARTICULARLY PLEASED THAT THE NEW POLICY RETAINED THE IMPORTANT ELEMENT OF A TWO-WAY STREET IN THE NATO ARMS MARKET; HOWEVER,

(D)--WHILE THE PRESIDENT'S NATO SUMMIT STATEMENT ON THIS SCORE WAS ENCOURAGING, AS THE NEW ARMS POLICY CONSTRAINED SALES TO NON-NATO COUNTRIES SO WOULD THE IMPORTANCE OF THE NATO MARKET INCREASE TO BOTH AMERICAN AND EUROPEAN ARMS INDUSTRIES, AND IT WOULD TAKE CONSIDERABLE SKILL AND MUTUAL RESTRAINT TO KEEP THE BALANCE RIGHT.

20. USSR. A FOREIGN AFFAIRS MINISTRY OFFICIAL ASKED
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WHETHER US POLICY HAD ANY DIRECT BEARING ON PLANS TO FORM A US-SOVIET WORKING GROUP TO DISCUSS ARMS TRANSFERS.

21. YUGOSLAVIA. A FEDERAL SECRETARIAT FOR FOREIGN AFFAIRS OFFICIAL STATED THAT HE REGARDED THE NEW ARMS POLICY AS AN IMPORTANT MATTER AND THAT YUGOSLAVIA HAD LONG "BEEN FIGHTING AGAINST ARMAMENT AND ARMS RACES." HOWEVER, HE SPECULATED AS TO HOW ONE PROCEEDED TO DEAL WITH THE PROBLEM: DISCUSSIONS AT THE UN, BILATERAL DISCUSSIONS, OR CONVENING A REGIONAL OR INTERNATIONAL CONFERENCE.

22. ARMS RECIPIENT COUNTRIES

23. ALGERIA. A FOREIGN MINISTRY OFFICIAL STATED THAT ALGERIA'S GREATEST CONCERN WAS OVER THE EFFECT OF THE NEW US ARMS POLICY ON MOROCCO, SPECIFICALLY THE SALE OF SIDEWINDER MISSILES TO RABAT. WHILE HE DISPLAYED A "WAIT-AND-SEE" ATTITUDE, HE STRESSED THAT ALGERIA FULLY SUPPORTED THE PRESIDENT'S STATEMENT AND VIEWED IT AS PART OF THE ADMINISTRATION'S "NEW LOOK" ON A WIDE RANGE OF INTERNATIONAL ISSUES.

24. BAHRAIN. FOREIGN MINISTER SHAYKH MUHAMMAD TOLD THE US AMBASSADOR:

(A)--THE PRESIDENT'S INITIATIVE WAS ADMIRABLE BUT IT WAS DOUBTFUL THAT IT WOULD SUCCEED BECAUSE OTHER SUPPLIERS COULD NOT AFFORD NOT TO MAKE MONEY SELLING ARMS;

(B)--HE WAS CURIOUS ABOUT THE RELATIONSHIP BETWEEN THE EXPRESSION OF SUPPORT FOR ISRAEL IN THE PRESIDENT'S STATEMENT AND THE RECENT CONGRESSIONAL FUROR OVER ARMS TO ISRAEL; AND

(C)--THE "NO FIRST INTRODUCTION" ASPECT OF THE POLICY
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MIGHT BE AN AREA IN WHICH OTHER SUPPLIERS WOULD AGREE, BUT

THE FRENCH MIGHT BE DIFFICULT EVEN HERE.

25. EGYPT. FOREIGN MINISTER FAHMY STATED TO THE US AMBASSADOR THAT THE NEW POLICY WOULD MAKE IT EVEN MORE

DIFFICULT FOR EGYPT TO GET ARMS FROM THE US WHILE, IN CONTRAST, ARMS WOULD CONTINUE TO FLOW TO ISRAEL. THUS, EGYPT WOULD CONTINUE, AS IN THE PAST, TO BE DISADVANTAGED BY US ARMS POLICIES AND WOULD HAVE TO SEEK ARMS FROM ANY SOURCE AVAILABLE, IN THE ABSENCE OF ISRAELI RESTRAINT IN ACQUIRING ARMAMENTS AND OF ANY REAL PROGRESS TOWARD PEACE.

26. HAITI. FOREIGN MINISTER BRUTUS EXPRESSED STRONG AGREEMENT WITH THE POLICY TO THE US AMBASSADOR AND STATED THAT IT WAS THE TYPE OF ACTION BY THE PRESIDENT WHICH WAS GAINING HIM INCREASED RESPECT AND AUTHORITY IN THIS HEMISPHERE.

27. INDIA. AN EXTERNAL AFFAIRS MINISTRY OFFICIAL INQUIRED AS TO HOW US POLICY WOULD AFFECT THE TRANSFER OF SOPHISTICATED AIRCRAFT TO PAKISTAN AND WHETHER ANY DISTINCTION WAS MADE BETWEEN OFFENSIVE AND DEFENSIVE WEAPONS.

28. INDONESIA. DIRECTOR GENERAL FOR FOREIGN RELATIONS SECURITY ADENAN EXPRESSED CONCERN WHETHER THE PRESIDENT'S ANNOUNCEMENT CONTAINED A STATEMENT ON HUMAN RIGHTS. WHEN INFORMED THAT IT DID, HE ASKED IF A VISIT TO INDONESIAN DETENTION CENTERS BY US EMBASSY PERSONNEL AND REPRESENTATIVES OF THE INTERNATIONAL COMMITTEE OF THE RED CROSS WOULD HELP IMPROVE UNDERSTANDING OF THIS INDONESIAN PROBLEM.

29. IRAN. GENERAL TOUFANIAN, VICE MINISTER OF WAR AND THE SHAH'S PRINCIPAL ARMS PROCUREMENT OFFICIAL, ASKED CONFIDENTIAL

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"WHAT IS THE DIFFERENCE BETWEEN IRAN ON THE ONE HAND, AND NATO, JAPAN, AUSTRALIA, AND NEW ZEALAND ON THE OTHER HAND?" TOUFANIAN STATED THAT IRAN WOULD PREFER TO DO BUSINESS WITH THE US, NOTING IRAN'S INTEREST IN ADDITIONAL F-16 AND IN F-18 AIRCRAFT. HOWEVER, IF THIS WERE NOT POSSIBLE, IRAN WAS PREPARED TO LOOK ELSEWHERE FOR ARMS--FOR EXAMPLE, NATO'S MRCA (MULTI-ROLE COMBAT AIRCRAFT), THE FRENCH MIRAGE 2000 AIRCRAFT, AND BRITISH, DUTCH, FRENCH, GERMAN, OR ITALIAN DESTROYERS.

30. KUWAIT. ACTING FOREIGN MINISTRY UNDERSECRETARY AL-MUTAWA OPINED THAT A US ARMS RESTRAINT POLICY COULD SUCCEED ONLY IF THE SOVIETS ALSO SHOWED RESTRAINT.

31. MALAYSIA. FOREIGN AFFAIRS UNDERSECRETARY RAZALI

FELT THAT MALAYSIA'S MODEST REQUESTS FOR ARMS WOULD NOT BE AFFECTED BY THE NEW US POLICY.

32. PAPUA NEW GUINEA. FIRST SECRETARY FOR FOREIGN AFFAIRS AND TRADE SIAGURU STRONGLY APPLAUDED THE NEW POLICY TO THE US AMBASSADOR AND WAS PARTICULARLY INTERESTED IN THE REFERENCE TO HUMAN RIGHTS, GIVEN LONG-STANDING IRIANESE CHARGES AGAINST INDONESIA.

33. PHILIPPINES. PRESIDENT MARCOS TOLD THE US CHARGE THAT:

(A)--THE GENERAL PRINCIPLE OF REDUCING ARMS TRANSFERS WAS COMMENDABLE AND HE HOPED THAT PRESIDENT CARTER WOULD BE SUCCESSFUL;

(B)--THE NEW POLICY WOULD REQUIRE THE PHILIPPINES "TO REQUEST AGAIN A CLEAR DEFINITION OF THE MUTUAL DEFENSE TREATY"; AND

(C)--THE NEED FOR A "DEFINITION OF THE USE OF THE BASES
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ALSO BECOMES MORE URGENT."

34. MARCOS ASKED HOW THE NEW POLICY WOULD AFFECT US MILITARY ASSISTANCE TO THE PHILIPPINES, NOTING THAT "WE MAY HAVE TO PULL BACK ON OUR HARDWARE"; WHETHER ANY OF THE POLICY'S PROVISIONS WOULD BE APPLIED RETROACTIVELY, FOR EXAMPLE, ON COLT M-16 CO-PRODUCTION; AND FOR CLARIFICATION OF THE TERM "ADVANCED TECHNOLOGY" AND WHETHER IT APPLIED, FOR EXAMPLE, TO RADAR.

35. QATAR. FOREIGN MINISTER SHAYKH SUHAYM TOLD THE US AMBASSADOR THAT THE PRESIDENT'S GOAL WAS LAUDABLE AND RATIONAL BUT HE FELT THAT THE SUCCESS OF THE POLICY IN THE MIDDLE EAST INEVITABLY DEPENDED ON ESTABLISHING A JUST AND DURABLE PEACE. ARMED FORCES COMMANDER-IN-CHIEF SHAYKH HAMAD REACTED GLUMLY AND ASKED RHETORICALLY WHAT IMPACT THE POLICY WOULD HAVE ON QATAR'S LEGITIMATE ARMS REQUESTS FROM THE US.

36. SINGAPORE. FOREIGN AFFAIRS PERMANENT SECRETARY CHIA TOLD THE US CHARGE THAT THE SUCCESS OF THE US POLICY WOULD DEPEND ON THE COOPERATION OF OTHER ARMS SUPPLIER COUNTRIES.

37. SOUTH KOREA. VICE MINISTER OF FOREIGN AFFAIRS YOON STATED THAT:

(A)--HE ASSUMED THE NEW POLICY WOULD NOT DIMINISH US SUPPORT FOR THE ROK'S FORCE IMPROVEMENT PROGRAM SINCE SUCH

A DIMINUTION, COUPLED WITH THE US TROOP WITHDRAWAL, WOULD BE A "DOUBLE BLOW";

(B)--RESTRICTIONS ON ADVANCED WEAPONS SYSTEMS MIGHT BE PERCEIVED AS DE-STABILIZING, AND HE EMPHASIZED THE NEED FOR A MILITARY BALANCE WITH NORTH KOREA IN ORDER TO BRING PYONGYANG TO THE CONFERENCE TABLE;
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(C)--SINCE THERE WAS "NO HUMAN RIGHTS PROBLEM IN KOREA," THE PARAGRAPH DEALING WITH THIS ISSUE WAS NOT APPLICABLE;
AND

(D)--THE US ARMS POLICY WOULD PROVIDE NEW OPPORTUNITIES TO NON-US PRODUCERS SINCE HE DOUBTED THAT EUROPEAN COUNTRIES WOULD COOPERATE.

38. SRI LANKA. A MINISTRY OF DEFENSE AND FOREIGN AFFAIRS OFFICIAL STATED THAT THE MATTER WAS PURELY OF ACADEMIC INTEREST TO HIS GOVERNMENT BUT ASKED HOW THE POLICY AFFECTED INDIA AND PAKISTAN.

39. SYRIA. FOREIGN MINISTER KHADDAM TOLD THE US AMBASSADOR THAT IT APPEARED THAT PRESIDENT CARTER WAS IN EFFECT FAVORING ISRAEL OVER THE NATO ALLIES. IT SEEMED MOST LIKELY TO HIM THAT THE US WOULD CONTINUE TO COMMIT MAJOR ARMS SUPPLIES TO ISRAEL WHILE EXERTING PRESSURE ON EUROPEAN SUPPLIERS TO REDUCE ARMS TO THE ARABS. THUS, THE US WAS RATIONALIZING THE STRENGTHENING OF ISRAEL AT THE ARABS' EXPENSE.

40. ANNEX: STATEMENT BY THE PRESIDENT, MAY 19, 1977

41. THE VIRTUALLY UNRESTRAINED SPREAD OF CONVENTIONAL WEAPONRY THREATENS STABILITY IN EVERY REGION OF THE WORLD. TOTAL ARMS SALES IN RECENT YEARS HAVE RISEN TO OVER 20 BILLION DOLS, AND THE UNITED STATES ACCOUNTS FOR MORE THAN ONE-HALF OF THIS AMOUNT. EACH YEAR, THE WEAPONS TRANSFERRED ARE NOT ONLY MORE NUMEROUS BUT ALSO MORE SOPHISTICATED AND DEADLY. BECAUSE OF THE THREAT TO WORLD PEACE EMBODIED IN THIS SPIRALLING ARMS TRAFFIC AND BECAUSE OF THE SPECIAL RESPONSIBILITIES WE BEAR AS THE LARGEST ARMS SELLER, I BELIEVE THAT THE UNITED STATES MUST TAKE STEPS TO RESTRAIN ITS ARMS TRANS-
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FERS.

42. THEREFORE, SHORTLY AFTER MY INAUGURATION, I DIRECTED A COMPREHENSIVE REVIEW OF U.S. CONVENTIONAL ARMS TRANSFER

POLICY, INCLUDING ALL MILITARY, POLITICAL, AND ECONOMIC FACTORS. AFTER REVIEWING THE RESULTS OF THIS STUDY AND DISCUSSING THOSE RESULTS WITH MEMBERS OF CONGRESS AND FOREIGN LEADERS, I HAVE CONCLUDED THAT THE UNITED STATES WILL HENCEFORTH VIEW ARMS TRANSFERS AS AN EXCEPTIONAL FOREIGN POLICY IMPLEMENT, TO BE USED ONLY IN INSTANCES WHERE IT CAN BE CLEARLY DEMONSTRATED THAT THE TRANSFER CONTRIBUTES TO OUR NATIONAL SECURITY INTERESTS. WE WILL CONTINUE TO UTILIZE ARMS TRANSFERS TO PROMOTE OUR SECURITY AND THE SECURITY OF OUR CLOSE FRIENDS. BUT IN THE FUTURE THE BURDEN OF PERSUASION WILL BE ON THOSE WHO FAVOR A PARTICULAR ARMS SALE, RATHER THAN THOSE WHO OPPOSE IT.

43. TO IMPLEMENT A POLICY OF ARMS RESTRAINT, I AM ESTABLISHING THE FOLLOWING SET OF CONTROLS, APPLICABLE TO ALL TRANSFERS EXCEPT THOSE TO COUNTRIES WITH WHICH WE HAVE MAJOR DEFENSE TREATIES (NATO, JAPAN, AUSTRALIA, AND NEW ZEALAND). WE WILL REMAIN FAITHFUL TO OUR TREATY OBLIGATIONS AND WILL HONOR OUR HISTORIC RESPONSIBILITIES TO ASSURE THE SECURITY OF THE STATE OF ISRAEL. THESE CONTROLS WILL BE BINDING UNLESS EXTRAORDINARY CIRCUMSTANCES NECESSITATE A PRESIDENTIAL EXCEPTION, OR WHERE I DETERMINE THAT COUNTRIES FRIENDLY TO THE UNITED STATES MUST DEPEND ON ADVANCED WEAPONRY TO OFFSET QUANTITATIVE AND OTHER DISADVANTAGES IN ORDER TO MAINTAIN A REGIONAL BALANCE.

(A)--THE DOLLAR VOLUME (IN CONSTANT FY 1976 DOLLARS) OF NEW COMMITMENTS UNDER THE FOREIGN MILITARY SALES AND MILITARY ASSISTANCE PROGRAMS FOR WEAPONS AND WEAPONS-RELATED ITEMS IN FY 1978 WILL BE REDUCED FROM THE FY 1977 TOTAL. TRANSFERS WHICH CAN CLEARLY BE CLASSIFIED AS CONFIDENTIAL

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SERVICES ARE NOT COVERED, NOR ARE COMMERCIAL SALES, WHICH THE U.S. GOVERNMENT MONITORS THROUGH THE ISSUANCE OF EXPORT LICENSES. COMMERCIAL SALES ARE ALREADY SIGNIFICANTLY RESTRAINED BY EXISTING LEGISLATION AND EXECUTIVE BRANCH POLICY.

(B)--THE UNITED STATES WILL NOT BE THE FIRST SUPPLIER TO INTRODUCE INTO A REGION NEWLY DEVELOPED, ADVANCED WEAPONS SYSTEMS WHICH WOULD CREATE A NEW OR SIGNIFICANTLY HIGHER COMBAT CAPABILITY. ALSO, ANY COMMITMENT FOR SALE OR COPRODUCTION OF SUCH WEAPONS IS PROHIBITED UNTIL THEY ARE OPERATIONALLY DEPLOYED WITH U.S. FORCES, THUS REMOVING THE INCENTIVE TO PROMOTE FOREIGN SALES IN AN EFFORT TO LOWER UNIT COSTS FOR DEFENSE DEPARTMENT PROCUREMENT.

(C)--DEVELOPMENT OR SIGNIFICANT MODIFICATION OF ADVANCED WEAPONS SYSTEMS SOLELY FOR EXPORT WILL NOT BE PERMITTED.

(D)--COPRODUCTION AGREEMENTS FOR SIGNIFICANT WEAPONS, EQUIPMENT, AND MAJOR COMPONENTS (BEYOND ASSEMBLY OF SUBCOMPONENTS AND THE FABRICATION OF HIGH-TURNOVER SPARE PARTS) ARE PROHIBITED. A LIMITED CLASS OF ITEMS WILL BE CONSIDERED FOR COPRODUCTION ARRANGEMENTS, BUT WITH RESTRICTIONS ON THIRD-COUNTRY EXPORTS, SINCE THESE ARRANGEMENTS ARE INTENDED PRIMARILY FOR THE COPRODUCER'S REQUIREMENTS.

(E)--IN ADDITION TO EXISTING REQUIREMENTS OF THE LAW, THE UNITED STATES, AS A CONDITION OF SALE FOR CERTAIN WEAPONS, EQUIPMENT, OR MAJOR COMPONENTS, MAY STIPULATE THAT WE WILL NOT ENTERTAIN ANY REQUESTS FOR RETRANSFERS. BY ESTABLISHING AT THE OUTSET THAT THE UNITED STATES WILL NOT ENTERTAIN SUCH REQUESTS, WE CAN AVOID UNNECESSARY BILATERAL FRICTION CAUSED BY LATER DENIALS.

(F)--AN AMENDMENT TO THE INTERNATIONAL TRAFFIC IN ARMS
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REGULATIONS WILL BE ISSUED, REQUIRING POLICY LEVEL AUTHORIZATION BY THE DEPARTMENT OF STATE FOR ACTIONS BY AGENTS OF THE UNITED STATES OR PRIVATE MANUFACTURERS WHICH MIGHT PROMOTE THE SALE OF ARMS ABROAD. IN ADDITION, EMBASSIES AND MILITARY REPRESENTATIVES ABROAD WILL NOT PROMOTE THE SALE OF ARMS AND THE SECRETARY OF DEFENSE WILL CONTINUE HIS REVIEW OF GOVERNMENT PROCEDURES, PARTICULARLY PROCUREMENT REGULATIONS WHICH MAY PROVIDE INCENTIVES FOR FOREIGN SALES.

44. IN FORMULATING SECURITY ASSISTANCE PROGRAMS CONSISTENT WITH THESE CONTROLS, WE WILL CONTINUE OUR EFFORTS TO PROMOTE AND ADVANCE RESPECT FOR HUMAN RIGHTS IN RECIPIENT COUNTRIES. ALSO, WE WILL ASSESS THE ECONOMIC IMPACT OF ARMS TRANSFERS TO THOSE LESS-DEVELOPED COUNTRIES RECEIVING U.S. ECONOMIC ASSISTANCE.

45. I AM INITIATING THIS POLICY OF RESTRAINT IN THE FULL UNDERSTANDING THAT ACTUAL REDUCTIONS IN THE WORLDWIDE TRAFFIC IN ARMS WILL REQUIRE MULTILATERAL COOPERATION. BECAUSE WE DOMINATE THE WORLD MARKET TO SUCH A DEGREE, I BELIEVE THAT THE UNITED STATES CAN AND SHOULD TAKE THE FIRST STEP. HOWEVER, IN THE IMMEDIATE FUTURE THE UNITED STATES WILL MEET WITH OTHER ARMS SUPPLIERS, INCLUDING THE SOVIET UNION, TO BEGIN DISCUSSION OF POSSIBLE MEASURES FOR MULTILATERAL ACTION. IN ADDITION, WE WILL DO WHATEVER WE CAN TO ENCOURAGE REGIONAL AGREEMENTS AMONG PURCHASERS TO LIMIT ARMS IMPORTS. (ANNEX UNCLASSIFIED)

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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE137374
Document Source: ADS
Document Unique ID: 00
Drafter: INR/PMT: L G SARRIS:CAD
Enclosure: n/a
Executive Order: 11652 XGDS-1
Errors: n/a
Expiration:
Film Number: D770213-0313
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197706110/baaaewet.tel
Line Count: 596
Litigation Code IDs:
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Litigation History:
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Office: ORIGIN INR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 11
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 12-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2014068
Secure: OPEN
Status: NATIVE
Subject: FOREIGN REACTIONS TO THE PRESIDENT'S POLICY ON CONVENTIONAL ARMS TRANSFERS
TAGS: MPOL, XX, US
To: ALGIERS BANGKOK MULTIPLE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/b2229e73-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
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